

USAID/Kyrgyzstan

RESULTS REVIEW AND RESOURCE REQUEST (R4)

February 2001

Contact Person: Sherry Grossman, EE/PCS

Note: This document was submitted as part of the Central Asia
Region R4. See the Central Asia Region R4 for the entire
document.

Please Note:

The attached RESULTS INFORMATION ("R2") is from the FY 2002 Results Review and Resource Request ("R4"), and was assembled and analyzed by the country or USAID operating unit identified on this cover page.

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USAID Development Experience Clearinghouse

1611 N. Kent Street, Suite 200

Arlington, VA 22209-2111

Telephone: 703/351-4006 Ext. 106

Fax: 703/351-4039

Email: docorder@dec.cdie.org

Internet: <http://www.dec.org>

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Glossary of Acronyms

AAH	Action Against Hunger
ABA/CEELI Initiative	American Bar Association/Central and East European Law Initiative
ACDI/VOCA	Agricultural Cooperative Development International/Volunteers in Overseas Cooperative Assistance
ACS	Agency for Civil Service
ACTR/ACCELS	American Council of Teachers of Russian/American Council for Collaboration in English and Language Study
ADB	Asian Development Bank
AED	Academy for Educational Development
AIHA	American International Health Alliance
AMC	Antimonopoly Committee
ARI	Acute Respiratory Infections
BEO	Bureau Environmental Officer
CAAEF	Central Asian-American Enterprise Fund
CAEC	Central Asian Economic Community
CAR	Central Asian Republics
CAR EPI NET	Central Asian Epidemiology Network
CCO	Climate Change Office
CDC	Centers for Disease Control and Prevention
CGA	Certified General Accountants of Canada
COP-4	Fourth Conference of the Parties
DFID	Department for International Development
DHS	Demographic and Health Survey
E&E	Bureau for Europe & Eurasia
E&E/DGSR	Bureau for Europe & Eurasia/Office of Democracy and Governance
EBRD	European Bank for Reconstruction and Development
EPIC (IRG)	Environmental Policy and Institutional Strengthening (International Resources Group)
EU/TACIS	European Union/Technical Assistance to the Commonwealth of Independent States
GDP	Gross Domestic Product
GGERI	Greenhouse Gas Emission Reduction Initiative
GOK	Government of Kazakhstan/Government of Kyrgyzstan
GOT	Government of Tajikistan/Government of Turkmenistan
GOU	Government of Uzbekistan
GTZ	German Agency for Technical Cooperation (Gesellschaft für Technische Zusammenarbeit)
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immuno Deficiency Syndrome
IAS	International Accounting Standards
IBRD	International Bank for Reconstruction and Development (World Bank)

ICMA	International City/County Managers Association
ICNL	International Center for Not-for-Profit Law
ID	Infectious Diseases
IESC	International Executive Service Corps
IFAS	International Fund for Aral Sea
IFES	International Foundation for Election Systems
IFI	International Financial Institution
IMF	International Monetary Fund
IMR	Infant Mortality Rate
IATP	Internet Access and Training Program
IR	Intermediate Result
IREX	International Research & Exchange Board
ISA	International Standards of Auditing
ISAR	Initiative for Social Action and Renewal in Eurasia
IUD	Intra-Uterine Device
JI	Joint Implementation Program
JICA	Japan International Cooperation Agency
Kaz	Kazakhstan
KCLF	Kazakhstan Community Loan Fund
KNB	Committee for National Security
Kyr	Kyrgyzstan
LSL	League of Student Lawyers
MASHAV	Israel's Center for Cooperation
MCI	Mercy Corps, International
MERLIN	Medical Emergency Relief International
MOH	Ministry of Health
MSI	Media Sustainability Index
MPP	Mission Program Plan
NANSMIT	National Association of Independent Mass Media in Tajikistan
NBRK	National Bank of the Republic of Kyrgyzstan
NDI	National Democratic Institute
NGO	Non-governmental Organization
NIS	Newly Independent States
NOAA	U.S. National Oceanic & Atmospheric Administration
OSCE	Organization for Security and Cooperation in Europe
PHC	Primary Health Care
PMP	Performance Monitoring Plan
PVO	Private Volunteer Organization
R4	Results Review and Resource Request
SME	Small- and Medium-sized Enterprise
SMEDA	Small- and Medium-sized Development Agency
SO	Strategic Objective
STIs	Sexually Transmitted Infections
Taj	Tajikistan
TB	Tuberculosis
TBD	to be determined

TB DOTS	TB Directly Observed Treatment Short Course
TBESCM	Electronic Surveillance Case Management System for Tuberculosis
TCP	Trans Caspian Pipeline
TNCs	Transnational corporations
TV	Television
U. S.	United States
UN	United Nations
UNAIDS	Joint United Nations Program on HIV/AIDS
UNDP	United Nations Development Program
UNFCCC	United Nations Framework Convention on Climate Change
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Emergency Fund
UNMOT	United Nations Mission of Observers in Tajikistan
UNFPA	United Nations Fund for Population Activities
USAID/CAR	United States Agency for International Development/Central Asian Republics
USDA	United States Department of Agriculture
USEA	United States Energy Association
USTR	United States Trade Representative
WB	World Bank
WHO	World Health Organization
WHO DOTS	WHO Directly Observed Treatment Short Course
WTO	World Trade Organization

R4 Part I: Overview and Factors Affecting Program Performance

Introduction

Bordered by Russia, China, Afghanistan, Iran and the Caucasus, the five Central Asia Republics – Kazakhstan, Kyrgyzstan, Uzbekistan, Tajikistan and Turkmenistan – have a combined population of 55 million, a land mass greater than Western Europe, and a significant share of the world's oil and gas reserves. The U.S. Government's overarching goal in these five republics, as described in the respective Mission Performance Plans (MPP) of each of the five U.S. Embassies, is to promote stable, market-oriented growth that will enable access to its oil, gas and mineral resources, as well as political stability in the region. The U.S. also seeks to prevent the expansion of radicalism, narcotics and arms trafficking from neighboring countries, such as Iran and Afghanistan. Stable economic and political growth will enable the respective governments to address global health and environmental problems, such as the spread of HIV/AIDS and drug-resistant tuberculosis and the waste of water and energy resources.

In 2000, a new five-year Assistance Strategy for USAID in Central Asia was developed and approved. This new strategy recognizes the region's historical and geographic isolation, lack of any experience of modern statehood, halting transition toward economic and political reforms, and its deteriorating health and environmental conditions. The strategy takes a longer-term approach, which seeks to educate governments, nascent businesses and new professionals, and civil society – citizens, particularly young adults – on the benefits of reform to build commitment and pressure for change, a "constituency" for reform. It expands opportunities for citizens to participate in improving governance, livelihoods and quality of life, thereby creating ownership of reform efforts. USAID-supported activities that met with little success in the past, such as electoral reform throughout the region and fiscal reform and privatization in Turkmenistan and Uzbekistan, were eliminated.

This R4 is a transition document between an old and a new strategy. Throughout the Results Review presentation for each country we report on our degree of success towards the old strategic objectives. The Resource Request and discussion on prospects, however, relates to the new strategic objectives. The performance tables relate to the new Performance Monitoring Plan of the mission.

Summary of Progress in Implementing the New Strategy

The new strategy has four primary strategic objectives which cover all five countries: 1) Improved Environment for the Growth of Small and Medium Enterprises; 2) Strengthened Democratic Culture among Citizens and Target Institutions; 3) Improved Management of Critical Natural Resources, including Energy; and 4) Increased Utilization of Primary Quality Health Care for Select Populations. Two additional objectives are for only Kazakhstan and Kyrgyzstan, due to their greater commitment to economic and political reform: 1) Increased Soundness of Tax and Budget Policies and Administration; and 2) More Effective, Responsive and Accountable Local Governance. The equally important cross-cutting objectives – anti-corruption, gender issues, conflict prevention, and information, education – as well as the Bureau's objective of sustainable partnerships are contained within these strategic objectives.

Experience in implementing activities over the past year has demonstrated the soundness of the new directions.

While the region has generally become more authoritarian and only three of the five countries are committed to economic reforms, we are seeing notable results in the new strategy. Recognizing that more responsive financial systems are needed for enterprise growth, USAID promoted a number of improvements to banks and other financial institutions. In Kazakhstan, the implementation of a deposit insurance program led to a 69% growth in total deposits in 2000 and a 17% increase in individual deposits. Equities traded on the Kazakhstan Stock Exchange increased by 350%. As a result of USAID assistance, Kyrgyzstan's government passed a decree requiring full compliance with international accounting standards, as well as another law that decreased by 65% the number of licenses required by businesses, thus, diminishing opportunities for corruption. At the local level, the financially sustainable micro-credit activities in Kazakhstan and Kyrgyzstan have reached nearly 30,000 clients, over 75% of whom are female entrepreneurs. Efforts to help Kazakhstan and Kyrgyzstan improve tax and budget policy and administration also met with success. For the year 2000, the budget deficit as a percentage of GDP for Kazakhstan was 0.7%, well below the target of 3.5%. The budget deficit as a percentage of GDP for Kyrgyzstan was 1%, well below the target of 2.5%. Although the deficit and level of external debt remain perilous, USAID's initiatives in business training and economics and business education are off to a fast start due to popular interest.

Movement toward democratic reform in the region remains halting. Lack of commitment to electoral reform, amply demonstrated by bogus elections in Kyrgyzstan and Uzbekistan, validated the decision to terminate further assistance to governments' electoral reform. Support for independent media has met with mixed results, although independent stations continue to operate. Efforts to strengthen citizen participation and information sharing through NGOs, however, are meeting with demonstrable success. NGOs are increasingly involved in advocacy on a wide range of issues. In Kazakhstan, NGOs that initiated an independent monitoring effort of parliamentary elections last year continue to operate and have organized around advocacy issues such as local government reform. A confederation of NGOs was formed with a potential role in advocating for the NGO sector as a whole. In Kyrgyzstan, a coalition of NGOs forged a countrywide election monitoring campaign that brought significant attention to flaws during the parliamentary elections. In Tajikistan, USAID grantees directly participated in drafting an NGO law. If approved, the law will be one of the most advanced legal frameworks for NGOs in the region. Even in Uzbekistan and Turkmenistan NGOs have remained viable, and are building relationships with community organizations and local government. Many of them are led by women and support programs that target women and their needs. In Turkmenistan, where NGO development has proven most difficult, citizen's organizations working on non-political community issues appear to enjoy the most success. As an example, work with community water user groups in the province of Dashoguz was expanded over the past year to 37 community water facilities, thus ensuring that 7,739 people regularly receive clean water.

We are by and large achieving good results in health. Primary health care practice (PHCP) models that improve both the quality and cost-effectiveness of health care have expanded in Kyrgyzstan, Kazakhstan and Uzbekistan. Over 50% of the population in Kyrgyzstan are now served by PHCPs. In Kazakhstan and Uzbekistan PHCP pilot programs reach smaller segments

of the population. Nevertheless, USAID's collaboration with the World Bank in Kazakhstan has led to replication of these pilots in other areas. In the recent Demographic Health Survey (DHS) in Kazakhstan, 37% of the women surveyed reported PHCPs as their main source of health care. World Bank-USAID collaboration in Uzbekistan has begun to expand primary health care models beyond the three USAID-supported rayons in the Ferghana Valley. USAID's TB control efforts have begun to produce improvements in the detection and control of this disease. In Kazakhstan, where USAID has been focusing its efforts, the mortality rate from TB has decreased by 20% between 1998 and 1999. In Kyrgyzstan, the mortality rate has stabilized (13.5 to 13.6 per 100,000 between 1998 and 1999). Nevertheless, the incidence rate for TB is still 141 per 100,000 in Kazakhstan, and 114.4 in Kyrgyzstan, compared to 6 per 100,000 in the U.S. This official data do not include TB in prisons, where male prisoners have a high incidence of the disease. Such additional statistics would increase significantly the figures. Clearly, much work remains to be done to control this global threat. We are now focusing more resources on increasing public information and education in primary health care in general, and TB and HIV/AIDS in particular.

Since this is a year of major transition for USAID's strategy in energy and environment, results are mixed. We have shifted emphasis from policy and regulatory frameworks for energy and water management to the demonstration of new policies, regulations, and practices. In past years, Turkmenistan and Kazakhstan developed regulatory frameworks for their oil and gas sectors; in 2000, work began on pilots to demonstrate the new policies. For example, a management model to reduce water loss in a district irrigation system in the Ferghana Valley (Kyrgyzstan and Uzbekistan) has been completed. Cooperative arrangements are being concluded with the oil industry and local governments for an oil field cleanup model along the shores of the Caspian Sea. A small heating efficiency pilot in Kazakhstan is under consideration. More emphasis is being placed on public involvement through public education and improved information exchange among all the countries. Energy officials and citizens groups in Kazakhstan and Kyrgyzstan are learning how to participate in public hearings and regulatory authorities have held public hearings in these countries on tariff issues.

While not a developmental "result" per se, sustainable partnerships are an important objective. Most significant have been intra-regional partnerships among NGOs through Counterpart Consortium. Partnerships are being formed between several Central Asian and international finance and business associations. ACDI/VOCA and FINCA are building savings and loan networks. A crucial partnership is membership in the WTO, to which Kyrgyzstan acceded and Kazakhstan is preparing. We are striving to integrate USEA, ABA/CEELI, NDI, and AIHA partnerships within our strategic framework and with our other partners' to build sustainability. Bilateral and regional partnerships are building between government agencies through CDC, NOAA, and Israel's MASHAV. Transparency International and Citizens' Democracy Corps promise new partnerships.

Factors That Have Influenced Progress

The major factor that determines the success of USAID's activities in the region continues to be the commitment of host governments, private sectors, and citizens to reform. For example, in Kazakhstan and Kyrgyzstan, the two countries that have demonstrated the most commitment, we

have achieved positive results in finance and civil society activities. Meanwhile, in Turkmenistan and Uzbekistan, where there is very little commitment to reform, assistance has not had similar achievements. Therefore, we have limited our activities to those areas, particularly at local levels, where we can affect change.

The restriction on currency convertibility threatens planned micro-credit activities, both in Turkmenistan and Uzbekistan. As part of the new strategy, we had hoped to begin working at the local level with direct assistance to small-scale entrepreneurs. If the impact of this factor cannot be addressed satisfactorily this year, we will reconsider support to such a program.

Corruption endangers both economic and political development in Central Asia. Corruption makes these countries vulnerable to narcotics and arms trafficking, radicalism, and organized crime. USAID's new strategy seeks to promote greater transparency in all sectors. For example, more transparent drug procurement is being implemented in Kazakhstan. In Kazakhstan and Kyrgyzstan, transparency of banking operations is being promoted through work in bank supervision. In Kyrgyzstan, the state energy agency held the country's first energy utility public hearing to review new natural gas and electricity tariffs and to receive input from the public. We expect NGOs to play a greater role in this effort.

Increased poverty and limited economic options also influence progress throughout the region. This is particularly true in Kyrgyzstan, a country that has achieved notable economic reform. Unfortunately, due to nagging poverty, limited access to trade routes, and a heavy burden of external debt, the viability of the banking sector, the commitment to economic reforms, and the future of a new World Bank loan for the health sector is threatened. The possibility of a more widespread economic malaise, however, could be a threat to all countries in the region.

While poverty is a humanitarian issue in Tajikistan, security remains the primary factor. USAID's efforts have been constrained by travel limitations on USDH and contractor employees. Until recently, USAID efforts focussed on humanitarian relief, community reconciliation and political and legal process. Now that Tajikistan's new coalition government appears to be holding together and the security situation improved, we are starting a broader range of reforms across the four sectors in the new strategy for which the government expresses strong interest and commitment. However, strict limitations on travel regularly imposed by the Department of State, handicap our ability to respond.

Prospects for Progress through 2003

In Kazakhstan and Kyrgyzstan, we anticipate continued progress on a broad range of reforms and plan to continue substantial support for all six strategic objectives. The effects of entrenched corruption throughout the region, Kazakhstan's relative prosperity but lack of progress on decentralization, and Kyrgyzstan's poverty, weak government and debt situation may force modifications in S.O.s and need to be reassessed continually. Prospects for progress in Tajikistan are also good, assuming the political situation remains stable and a modicum of travel is possible. The Government of Tajikistan is open to reforms and interested in replication of USAID activities from other countries. In Uzbekistan and Turkmenistan prospects are limited to local and grassroots activities. In these countries, we will focus on health – particularly disease

control, water and energy management, small enterprise, economic and business education, training exchanges and skills development, and NGO/community development. If the political will for reform develops in either of these countries, USAID will modify its activities to meet changing conditions.

As we committed in the strategy, we will increase efforts in anti-corruption, gender issues, conflict prevention and education and knowledge, especially for youth. We will support independent sources of information, such as resource centers libraries, and media, to educate on anti-corruption, economics and business, democracy, and health. Students in Kazakhstan will learn democratic principles through civic education programs.

Efforts to reduce the potential for conflict in the region will continue in improved regional water management. In the volatile Ferghana Valley, we will launch an initiative to prevent conflicts through job creation, business, health, and civil society development, and regional water management. The Atyrau Regional Initiative will be fully institutionalized.

Across the portfolio, we will link macro-level policy reforms with on-the-ground demonstrations that show that change can directly benefit individuals.

We predict that performance will continue to be somewhat uneven across sectors and that emphasis will also have to be placed on consolidating and sustaining hard-won gains, especially in the area of civil society.

R4 Part II: Results Review By SO

Country/Organization: Kyrgyzstan - USAID/CAR

Strategic Objective Name: 1.3, An Improved Environment for the Growth of Small and Medium Enterprises

Strategic Objective ID: 116-0130

Self Assessment: Meeting expectations

Summary:

Link to Strategic Agency Framework:	1.1 Private Markets (60%)
	2.1 Rule of Law/Human Rights (20%)
	3.1 Access to Education (10%)
	3.2 Higher Education & Sustainable Development (10%)
Link to MPP Goals:	Regional Stability
	Economic Development
	Open Markets
	U.S. Exports

In 2000, USAID and the Government of Kyrgyzstan took positive steps toward achieving this strategic objective. Despite several negative factors that contributed to Kyrgyzstan's weak overall economic environment, USAID reached a majority of its established targets. The goal of this SO is to stimulate growth of the SME sector by improving the business environment through these three intermediate results: 1) increased opportunity to acquire business information, knowledge, and skills; 2) more responsive financial institutions, instruments, and markets; and 3) increased implementation of laws and regulations.

In this SO, USAID's customer focus is job creation, economic growth, greater participation, and improved quality of life for the citizens of Kyrgyzstan. Furthermore, by expanding economic opportunity and building a constituency for reform, such a program can mitigate political and economic crises in key parts of the region, such as the Ferghana Valley.

This is the first year we report under the new performance monitoring plan (PMP), which contains new indicators. Accordingly, the baseline information for the performance data tables will be provided for these new indicators. However, the indicator targets contained in the previous PMP will serve as the basis for this year's R4 narrative reporting. Under the previous indicators, we met expectations.

Key Results:

Although we achieved, and in some cases surpassed, many of the established targets, success in achieving performance targets for Kyrgyzstan must be viewed in the context of Kyrgyzstan's overall weak business environment. In comparison to past progress in this SO, this year's results

were an improvement. However, Kyrgyzstan continues to have a weak government, and significant trade barriers remain in place, choking off desperately needed investment and exacerbating Kyrgyzstan's relative isolation from global markets.

Nonetheless, the operating environment for SMEs in Kyrgyzstan improved during 2000 with the passage of key regulations and laws. With USAID guidance, the GOK passed a decree requiring full compliance with international accounting standards (IAS) and international standards of auditing (ISA) by January 1, 2001. In addition, the government passed a law that decreased by 65% the number of licenses required by businesses.

USAID continued to focus attention on training, again far exceeding our established benchmarks. A total of 5,048 accounting practitioners and 10,500 students are now trained in financial accounting, managerial accounting, and audit. Two hundred civil servants are now trained in tax inspection, and approximately 2,000 farmers now understand their land rights. The vast majority of these professionals are females who are striving to raise their levels of professional expertise.

At the end of 2000, with USAID support, the Kyrgyz Government signed a new land law allowing the free sale of land. USAID had notable successes in other areas of legal reform as well. USAID launched a program to create a public database of judicial opinions, which will subject the work of courts to public scrutiny and force them to operate with more transparency, consistency, and predictability.

USAID provided significant assistance in the passage of key WTO-compliant regulations and laws, including a customs regulation regarding intellectual property rights and a regulation on trademarks. USAID assistance resulted in the development of a Customs Reform and Modernization Plan, approved by the Kyrgyz Government in August 2000, and the formation of an External Control Department (Audit Team). USAID worked to ensure the sustainability of these efforts through training of civil servants on WTO and customs issues, the establishment of the WTO and Trade Information Center at the Ministry of Foreign Trade and Industry, and the creation of a Ministry of Foreign Trade internet site.

During 2000, USAID completed its Kyrgyz bank accounting reform. All Kyrgyz banks have now been converted to international accounting standards. In response to a request from the NBRK, we began providing banking supervision assistance during 2000. USAID helped the National Bank to improve the on-site inspection process, complete an inspection manual, and train inspectors to conduct risk-based evaluations of commercial banks. Moreover, USAID helped the NBRK to develop and implement an off-site monitoring system.

Activities to strengthen the financial sector and improve access to credit succeeded, as USAID's micro-lending programs grew steadily into sustainable institutions that meet the demands of small business. More than \$12.5 million in micro-credit was disbursed in 2000 to more than 25,333 clients, over two-thirds of whom are female entrepreneurs. More stringent capital requirements have helped generate an increase in total bank capital from \$14 million to \$17 million. However, since 1999, there has been no growth in deposits.

Performance and Prospects:

Although the results achieved in Kyrgyzstan were better than in past years, the current economic and political environment limits the government's ability to adopt and implement critical legislation. Consequently, USAID will undertake a broad expansion into SME training and economic education initiatives. The upcoming Regional Economics and Business Education activity will provide increased opportunities for access to business and economic information. Currently, business and economics programs in Kyrgyzstan have little in common with such programs in the West. Therefore, USAID will provide universities with resource materials, training, and research opportunities.

Our newly implemented SME training activity will develop courses in a wide range of business topics, provide business advisory services and facilitate business association and advocacy development. Thus far, the project has delivered courses in finance, credit, accounting, and marketing strategy. This activity also includes a business advisory services component that has already completed assessments of 120 businesses.

In the event that this strategic objective is not fully funded, we plan to scale back the SME Training activity and/or the Legal Infrastructure for a Market Economy activity.

Possible Adjustments to Plans:

In order to manage for results, USAID will begin a new trade and investment activity that streamlines three activities into one: legal and regulatory, removing investment constraints, and trade and investment.

Other Donor Programs:

The World Bank, the Swiss Agency for Development and Cooperation and DFID support land reform. The Dutch Centre for International Legal Cooperation is supporting judicial reform, Civil Code Commentaries and training in legislative drafting. The EBRD is implementing an SME lending program, and the ADB is implementing a financial sector program. The IMF has a banking supervision advisor.

Major Contractors and Grantees:

The Pragma Corporation implements the SME training activity. ARD/Checchi and Chemonics implement the regulatory reform activity. Booz-Allen & Hamilton is responsible for delivering WTO and customs assistance. The Barents Group implements the banking supervision activity. The Academy for Educational Development provides training for counterparts, and the Eurasia Foundation provides small grants. CAAEF and PVOs such as CDC, IESC, FINCA, Mercy Corps, and ACDI/VOCA provide financial and technical assistance, respectively.

Performance Data Table

Objective Name: Improved Environment for the Growth of Small and Medium Enterprises			
Objective ID: 116-0130			
Approved: 2000-06-01		Country/Organization: Kyrgyzstan – USAID/CAR	
Result Name: SO 1.3 Improved Environment for the Growth of Small and Medium Enterprises			
Indicator: A Business Environment Index			
Source: Independent Survey of the Improved Business Environment in Kyrgyzstan Unit of Measure: Percent Indicator/Description: TBD Comments: This indicator was developed in response to the new mission strategy. An annual survey will serve as the basis for a business environment index that measures 1) increased opportunity to acquire business information, knowledge and skills; 2) more responsive financial institutions, instruments and markets; and 3) increased implementation of laws and regulations. The results of the first survey have been received by the SO Team, and are currently being reviewed.	Year	Planned	Actual
	(Base)2000		TBD
	2001	TBD	
	2002	TBD	
	2003	TBD	
	2004	TBD	
	2005	TBD	
	(Final) 2005	TBD	

Performance Data Table

Objective Name: Improved Environment for the Growth of Small and Medium Enterprises			
Objective ID: 116-0130			
Approved: 2000-06-01		Country/Organization: Kyrgyzstan – USAID/CAR	
Result Name: IR 1.3.1 -Increased access to business information, knowledge and skills			
Indicator: A business education environment index			
Source: USAID SME Training Project Matrix for Kyrgyzstan	Year	Planned	Actual
Unit of Measure: Percent	(Base)2000		0%
Indicator/Description: Total number of benchmarks achieved as a percent of total number of benchmarks.	2001	22%	
Comments: In May 2000, USAID/CAR adopted a new strategy and, in September 2000 launched new activities related to IR 1.3.1. The indicator for this IR is an index based on the business education matrix that outlines the steps necessary to create increased access to business information, knowledge and skills. Because this activity is new, no Actual Score exists.	2002	40%	
	2003	60%	
	2004	80%	
	2005	100%	
	(Final) 2005	100%	
The SO Team designed a matrix that consists of numerous "bricks", each representing a benchmark. At the end of the period, the SO Team reviews reports to determine how many of these benchmarks were achieved. After analysis of the data related to each brick, a score from 0-4 is assessed to each brick, based on the degree of reform. An aggregate score is then tallied for the entire chart and the achieved percentage is calculated. The yearly percentage is compared to the yearly target to determine the project’s progress.			
Working with the SO Team, a contractor performed an initial data quality assessment in August 2000 by assessing the quality of this indicator against Agency quality standards for performance indicators. It was determined that the performance indicators, and data sources for this SO are widely accepted throughout the economic sector as reliable, accurate measurement tools for reform. In addition, the high degree of information sharing and accepted standards for data sources give the SO Team a reliable, practical pool of information that leaves little room for subjective interpretation.			
Therefore, after the implementing partner collects data from host government publications available to the general public and from various IFI assessments of the financial sector, the SO Team reviews the data. The SO Team then uses independent assessments to cross-reference material provided by the implementing partner. In addition, the high degree of information sharing and accepted standards for data sources give the SO Team a reliable, practical pool of information that leaves little room for subjective interpretation.			

Performance Data Table

Objective Name: Improved Environment for the Growth of Small and Medium Enterprises			
Objective ID: 116-0130			
Approved: 2000-06-01		Country/Organization: Kyrgyzstan – USAID/CAR	
Result Name: IR 1.3.2 More responsive financial institutions, instruments and markets			
Indicator: A Viable Financial Markets Index			
Source: Financial Sector Matrices	Year	Planned	Actual
Unit of Measure: Percent	(Base)2000		52.7%
Indicator/Description: Total number of benchmarks achieved as a percent of total number of benchmarks. Comments: In May 2000, USAID/CAR adopted a new strategy and, in September 2000 launched new activities related to IR 1.3.2. The indicator for this IR is an index based on several comprehensive matrices that outline the steps necessary to create a more responsive financial institutions, instruments, and markets. The SO Team designed several matrices that consist of numerous "bricks", each representing a benchmark. At the end of the period, the SO Team reviews reports to determine how many of these benchmarks were achieved. After analysis of the data related to each brick, a score from 0-4 is assessed to each brick, based on the degree of reform. An aggregate score is then tallied for the entire chart and the achieved percentage is calculated. The yearly percentage is compared to the yearly target to determine the project’s progress. Working with the SO Team, a contractor performed an initial data quality assessment in August 2000 by assessing the quality of this indicator against Agency quality standards for performance indicators. It was determined that the performance indicators, and data sources for this SO are widely accepted throughout the economic sector as reliable, accurate measurement tools for financial sector reform. In addition, the high degree of information sharing and accepted standards for data sources give the SO Team a reliable, practical pool of information that leaves little room for subjective interpretation. Therefore, after the implementing partner collects data from host government publications available to the general public and from various IFI assessments of the financial sector, the SO Team reviews the data. The SO Team then uses independent assessments to cross-reference material provided by the implementing partner. In addition, the high degree of information sharing and accepted standards for data sources give the SO Team a reliable, practical pool of information that leaves little room for subjective interpretation.	2001	70.3%	
	2002	87.9%	
	2003	92.3%	
	2004	96.7%	
	2005	100%	
	(Final) 2005	100%	

Performance Data Table

Objective Name: Improved Environment for the Growth of Small and Medium Enterprises				
Objective ID: 116-0130				
Approved: 2000-06-01		Country/Organization: Kyrgyzstan – USAID/CAR		
Result Name: IR 1.3.3 - Increased implementation of laws and regulations				
Indicator: Percent of Legal and Regulatory Benchmarks Achieved				
Source: USAID Commercial Law Matrix for Kyrgyzstan		Year	Planned	Actual
Unit of Measure: Percent		(Base)2000		75.5%
Indicator/Description: Total number of benchmarks achieved as a percent of total benchmarks. Comments: In May 2000, USAID/CAR adopted a new strategy. As a result, the new indicator for this IR was designed as an index based on a comprehensive matrix that outlines the steps necessary to achieve an improved legal and regulatory environment. The SO Team designed a matrix that consists of numerous "bricks", each representing a benchmark. At the end of the period, the SO Team reviews reports to determine how many of these benchmarks were achieved. After analysis of the data related to each brick, a score from 0-3 is assessed to each brick, based on the degree of reform. An aggregate score is then tallied for the entire chart and the achieved percentage is calculated. The yearly percentage is compared to the yearly target to determine the project's progress. Working with the SO Team, a contractor performed an initial data quality assessment in August 2000 by assessing the quality of this indicator against Agency quality standards for performance indicators. It was determined that the performance indicators, and data sources for this SO are widely accepted throughout the economic sector as reliable, accurate measurement tools for fiscal reform. In addition, the high degree of information sharing and accepted standards for data sources give the SO Team a reliable, practical pool of information that leaves little room for subjective interpretation. Therefore, after the implementing partner collects data from host government publications available to the general public and from various IFI assessments of legal reform, the SO Team reviews the data. The SO Team then uses independent assessments to cross-reference material provided by the implementing partner. In addition, the high degree of information sharing and accepted standards for data sources give the SO Team a reliable, practical pool of information that leaves little room for subjective interpretation.		2001	79.1%	
		2002	83.5%	
		2003	88.6%	
		2004	94.4%	
		2005	100%	
		(Final) 2005	100%	

R4 Part II: Results Review by SO

Country/Organization: Kyrgyzstan - USAID/CAR

Strategic Objective Name: 2.1, Strengthened Democratic Culture among Citizens and Target Institutions

Strategic Objective ID: 116-0210

Self Assessment: Not meeting expectations

Summary:

Link to Strategic Agency Framework:	2.1 Rule of Law/Human Rights (20%) 2.2 Credible Political Processes (20%) 2.3 Politically Active Civil Society (60%)
Link to MPP Goals:	Democracy Regional Stability

Performance of this strategic objective was hampered in 2000 by government actions associated with the parliamentary and presidential elections and the highly negative political environment that accompanied the elections. The establishment of democracy in Kyrgyzstan requires an increase in the popular demand for change by fostering political will and commitment to reform among both citizens and governing elites. Three intermediate results (IRs) are necessary for "strengthened democratic culture among citizens and targeted institutions". These IRs are 1) stronger and more sustainable civic organizations; 2) increased availability of information on civic rights and domestic public issues; and 3) enhanced opportunities for citizen participation in governance. These IRs serve to foster attitudinal change about what constitutes a democracy and how citizens and targeted institutions can together bring about democratic reforms. Immediate customers include NGO activists, civic teachers, journalists, law students and youth, more generally.

Key Results:

While overall progress was limited this year, some results did nonetheless materialize despite concerted government efforts to ensure that the election results reinforced the current political power structure. Of particular note were public demonstrations in the cities of Talas and Bishkek following the parliamentary elections and in Dzhalsal-Abad following the presidential election. Demonstrations of this magnitude represented a heretofore unseen political activism in a usually complacent populace. Other results included the fielding of 2,500 and 1,500 domestic monitors for the parliamentary and presidential elections, respectively; the opening of two new civil society support centers outside of the capital, complementing the existing four centers; public hearings in parliament; and the successful defense of journalists' rights in court.

After the problematic parliamentary elections in February and March 2000, USAID, with U.S. embassy agreement, significantly scaled back assistance to the Central Election Commission. USAID resources were redirected towards non-governmental efforts—media monitoring, international and domestic election monitoring, and voter education. NGOs continued to be very

active and were quite successful, particularly at the local level, in promoting their advocacy efforts.

Through most of 2000, the parliament was preoccupied with the elections and their aftermath; nonetheless, parliamentarians initiated efforts to hold hearings on various topics, including tobacco legislation, taxes, media and NGOs. USAID assistance was particularly important in the success of the hearing on tobacco legislation, which looked much like a Congressional hearing in the United States. Witnesses from the government, NGOs, and business provided written and oral testimony, and parliamentarians incisively questioned the witnesses. The hearing was covered by the press.

A district court in southern Kyrgyzstan struck down a city court's ruling that sentenced a prominent journalist to two years in prison for libel. Under the Kyrgyz criminal code, the journalist was convicted for criticizing a judge's decision on an election dispute between two candidates and reporting on rumors of an alleged bribe taken by the judge. The severity of the city court ruling shocked the public. Hundreds of citizens sent letters condemning the ruling to President Akaev. A Kyrgyz lawyer, funded through a USAID project, along with numerous journalists and local non-governmental organizations, several of which had been trained by USAID, supported the journalist through the appeals process. Five weeks after the initial ruling, the court supported free speech and released the journalist. The repeal of the conviction set a precedent for future cases with similar charges to protect journalists and the media. The outpouring of support and demand for a reversal of the ruling is an indication of the energy that could be brought to bear for democratization in Kyrgyzstan.

Performance and Prospects:

The political barriers to participation, the harassment and obstruction of opposition candidate campaigns, the lack of impartiality displayed by the courts, and the manipulation of election results during the 2000 parliamentary and presidential elections were significant disappointments following the considerable progress that was made in electoral law reform in 1999. The problems associated with the elections negatively affected the environment for development of NGOs, other civic organizations, and independent media as well. A government orchestrated campaign to discredit one of Kyrgyzstan's leading democracy-oriented NGOs, the Coalition for Democracy and Civil Society, polarized the NGO community and created obstacles to the Coalition's domestic election monitoring and national advocacy activities. Another major disappointment in 2000 was the independent media's silence and the high level of self-censorship throughout the presidential elections. Prior to the presidential elections, the media in Kyrgyzstan was one of the most vibrant and outspoken in Central Asia. The activism of civil society, evidenced by demonstrations and hunger strikes, and the technical improvements in the conduct of elections at the polling station level, such as significant drops in family and proxy voting, only slightly tempered the otherwise negative election environment in 2000. With the culmination of the election cycle, it is hoped that political tensions will ease and the political space will open up for greater independent expression.

Possible Adjustments to Plans:

With the culmination of the election cycle, election-related assistance has ended. In consultation with the U.S. embassy, post-election priorities include emphasizing work in the regions,

particularly in the southern part of the country, fostering dialogue between NGOs and local governments, civic education, and women's civic literacy and activism. USAID will also look to develop new, innovative information programs aimed at educating and engaging citizens in community identified priority issues.

Other Donor Programs:

Civil society development is a multi-donor effort in Kyrgyzstan. The UNDP, UNHCR, OSCE/ODIHR, INTRAC, and the Soros Foundation all support local NGOs with small grants. UNHCR and the European Union are co-funding civil society support centers. In cooperation with USAID, the EU also supports efforts to strengthen a legal media defense fund. Legal assistance to rural communities in southern Kyrgyzstan is co-financed by the Swiss Government and USAID. The UNDP Gender Bureau provides women's programming and the Soros Foundation funds civic education and education reform programs.

Major Contractors and Grantees:

Several USAID-funded U.S. PVOs such as the American Bar Association/CEELI, Internews, the National Democratic Institute (NDI), the Eurasia Foundation, and the International Foundation for Election System (IFES) are playing a role in promoting democracy in Kyrgyzstan. Counterpart International and the International Center for Not-for-profit Law, which together form the Counterpart Consortium, also participate in local NGO development. The Academy for Educational Development (AED) coordinates participant training.

Performance Data Table

Objective Name: Strengthened democratic culture among citizens and targeted institutions			
Objective ID: 116-0210			
Approved: 2000-05-01		Country/Organization: Kyrgyzstan – USAID/CAR	
Result Name: SO 2.1: Strengthened democratic culture among citizens and targeted institutions			
Indicator: SO 2.1: Percentage of targeted population exhibiting civic consciousness and activism			
Source: Public opinion poll		Year	
Unit of Measure: percent		Planned	
<p>Indicator/Description: A list of basic information questions are included in a survey to determine what percentage of targeted population exhibits increased civic consciousness and activism (as defined by percentage of citizens with civic knowledge and skills, exhibiting democratic values, and participating in political activities). Questionnaire responses are defined as positive or negative by the SO team. The mean percentage is calculated for all positive responses.</p> <p>Targeted population is defined as youth between 18 and 35 years old. Data is also disaggregated by gender.</p>		Actual	
		(Base) 2000	
		2001	
		2002	
		2003	
		2004	
(Final) 2005		48%	
Comments:			
The actual data is for the targeted population (youth between 18-35 years old). The result for whole population in 2000 was 39.4%, which is lower than that for the targeted group. The result for women was 38.6%.			

Performance Data Table

Objective Name: Strengthened democratic culture among citizens and target institutions				
Objective ID: 116-0210				
Approved: 2000-05-01		Country/Organization: Kyrgyzstan – USAID/CAR		
Result Name: IR 2.1.1: Stronger and more sustainable civic organizations				
Indicator: IR 2.1.1: Stronger and more sustainable civic organizations				
Source: NGO Sustainability Index				
Unit of Measure: Number		Year	Planned	Actual
Indicator/Description: The democracy roundtable uses the E&E NGO Sustainability Index to assess the sustainability of the NGO sector. Roundtables consist of crosscutting focus groups of approximately 10 participants (5 donors and 5 NGOs).		(Base)1999		4.3
		2000	NA*	4.33
		2001	4.24	
		2002	4.18	
		2003	4.10	
		2004	4.03	
		(Final) 2005	3.95	
		Comments: The reported score reflects an average across seven categories – legal environment, organizational capacity, financial viability, advocacy, service provision, infrastructure, and public image. On a scale of one to seven, one is an optimal score. The overall NGO Sustainability Index score for Kyrgyzstan was unchanged from 1999 to 2000. Nestled within this continuity, however, was significant progress (as defined by an improvement of 0.5 or more points in dimension rating) in the “infrastructure” field. Progress in this category can at least partially be attributed to USAID-funded efforts to establish and localize a network of Civil Society Support Centers (CSSCs). Unfortunately, this progress in expanding infrastructural support for the Kyrgyz NGO sector was counterbalanced by regression in the legal environment and public image of NGOs, as evidenced by the rise in these categories’ dimension ratings by 0.8 and 0.5 points, respectively, over the past year. While no obvious explanation suggests itself for this retrenchment, the fact that the past year’s parliamentary and presidential elections has politicized the NGO sector in Kyrgyzstan, thus accounting for at least some of this change. *Changes by E&E in the Index methodology from 1999 to 2000 required a reassessment of target values. Therefore, current targets are projected beginning only from 2000 onwards.		

Performance Data Table

Objective Name: SO 2.1 Strengthened democratic culture among citizens and target institutions			
Objective ID: 116-0210			
Approved: 2000-05-01		Country/Organization: Kyrgyzstan – USAID/CAR	
Result Name: IR 2.1.2: Increased availability of information on civic rights and domestic public issues			
Indicator: LLR 2.1.2.2A: Technical quality of local non-governmental broadcast news on targeted stations			
Source: Internews	Year	Planned	Actual
Unit of Measure: Number	(Base)1997		5.8
Indicator/Description: Number of points scored on a 20 point scale below, as evaluated by Internews, from a sample of non-governmental broadcast outlets, selected by Internews.	1998	7	6.3
	1999	9	9.7
	2000	11	18.6
	2001	13	
	2002	15	
	2003	17	
	2004	19	
	(Final) 2005	20	
Comments: USAID/CAR presents in this table data from a proxy indicator on the quality of news in Kyrgyzstan. In future R4s, the Mission intends to substitute this proxy indicator with the Media Sustainability Index (MSI), a tool that would evaluate several key aspects of a media system (e.g., legal protections; regulation; quality of journalism; plurality of information sources, etc.). E&E/DGSR has not yet completed the index. The completion date for the MSI is not yet known; until such time, USAID/CAR will use the LLR 2.1.2.2A indicator.			
Technical Quality of News			
1 use a tripod to shoot			
2 little or no zooms, panoramas; good framing, don't show microphone in picture			
3 good sound; use microphone			
4 good limited use of stand-ups			
5 always use natural noise			
6 short integrated sound bites from at least 2 interviews			
7 make video and audio correspond			
8 don't use same video twice			
9 variety of b-roll			
10 observe logical sequence in editing, lack of abrupt cuts			
11 short(1-3 mins) concentrated information			
12 little commntry, mostly facts; neutrality, several points of view			
13 information of piece, applicability to local events			
14 "freshness" of information			
15 logical beginning and end and sequencing of story			
16 originality in theme, shooting, editing, composition			
17 normal, accessible language; good diction			
18 make story personal			
19 news is predominantly not about official gov't action or crime			
20 number of min of video news on air per week			
* Targets will be revised to reflect new methodology			

Performance Data Table

Objective Name: SO 2.1 Strengthened democratic culture among citizens and target institutions				
Objective ID: 116-0210				
Approved: 2000-05-01		Country/Organization: Kyrgyzstan – USAID/CAR		
Result Name: IR 2.1.3: Enhanced Opportunities for Citizen Participation in Governance				
Indicator: IR 2.1.3: Scorecard of public access to meetings and records of legislative proceedings at all levels				
Source: Cross-cutting focus groups		Year	Planned	Actual
Unit of Measure: Percent		(Base)2000		68%
Indicator/Description: A scorecard will be calculated, based upon the following criteria: a) do citizens have access to records of public meetings; b) are citizens able to find out who or what group is responsible for particular areas and decisions; c) are citizens able to obtain voting records of MPs; d) are citizens granted access to meetings of the parliament; e) are citizens granted access to committee meetings; f) are committee meetings, public hearings, town hall meetings, and other forums for citizens’ participation open to the independent media; g) are open committee meetings, public hearings, town hall meetings, and other forums for citizens’ participation held frequently		2001	69%	
		2002	70%	
		2003	71%	
		2004	72%	
		(Final) 2005	73%	
Each of these criteria are scored from 0 to 5 (0 – never, 5 – always). The score is the mean of all elements converted to a percentage.				
Comments: Though legislation and regulations do not restrict public access to records of meetings, procedures and practices, however do. NGOs and parliamentarians noted the difficulties in getting access into the parliament building itself, given the need for special passes and registration of visitors. Increasingly, committees and sub-committees are beginning to hold public hearings with non-governmental input from NGOs, experts, and businesses. Parliamentarians cited the value of USAID assistance in contributing to the increased and improved use of public hearings. For the most part, panelists indicated their satisfaction with press access to the legislative process; however, they noted the need for more independent press coverage. It was noted that access at the local level, in general, citizen access is greater, though there is need for improvement.				

R4 Part II: Results Review by SO

Country/Organization: Kyrgyzstan - USAID/CAR

Strategic Objective Name: 3.2, Increased Utilization of Quality Primary Health Care for Select Populations

Strategic Objective ID: 116-0320

Self Assessment: Exceeding expectations

Summary:

Link to Strategic Agency Framework:	4.2 Infant and Child Health/ Nutrition (30%) 4.3 Child Birth Mortality Reduced (35%) 4.5 Infectious Diseases Reduced (35%)
Link to MPP Goals:	Humanitarian Assistance Population Health

USAID is helping to build an effective, affordable, and sustainable primary health care (PHC) system that meets the health needs of families and prevents and treats infectious diseases (ID). Health professionals are being re-trained to provide quality health care by upgrading clinical and laboratory skills to better diagnose, treat and prevent illness, including infectious diseases, such as acute respiratory infections, tuberculosis (TB), HIV/AIDS and hepatitis.

In 2000, USAID made great strides in this area. One third of the population is enrolled in Primary Health Care Practices, people are satisfied with services and the entire health system is rapidly being restructured to achieve a system the country can afford and that meets the needs of the people. This SO has four intermediate results (IRs): 1) select populations are better informed about personal health care rights and responsibilities; 2) improved quality of health care including infectious diseases and maternal and child health; 3) improved use of health care resources for primary health care; and 4) improved legislative, regulatory and policy framework. The primary beneficiaries are health professionals working in PHC and ID. The ultimate customers are users of these health services, who are predominantly women and children.

Key Results:

After six years of assistance, USAID continues to achieve outstanding results. Exercising rights and responsibilities are themes that excite people in Kyrgyzstan who are participating in the changes in their health care system. Approximately one million citizens of the capital, Bishkek and Chui Oblast exercised their right to choose their doctors through USAID-supported re-enrollment campaigns in late 2000. One satisfied client, a woman with a new baby, said, “A very good doctor looked after my older children. It is very good that we can choose our doctor. I will enroll in the Primary Health Care Practice to have the same doctor for my baby.”

The Ministry of Health (MOH) is supporting citizens’ rights to information as well as their right to comment on programs affecting them. USAID assisted the MOH to develop a national public

awareness campaign to inform the public about the next phase of health reform and to get people involved in the process. For example, the population was educated about a new benefits package that identifies those essential services that the Government of Kyrgyzstan (GOKG) plans to provide without cost. Public comment was critical because the draft package listed services that the GOKG can realistically provide, rather than the universal free services that have been decreed but that have not been free in years.

People in Kyrgyzstan are also becoming accustomed to receiving health information from their family doctors and nurses. In a recent Public Satisfaction Survey in one state where USAID is actively working, 70% of respondents noticed improved health promotion work, 83% found an increase in the scope of services available to them in PHC and 61% noted improvement in the quality of services after family doctors were retrained and passed accreditation exams. Overall, 91% were satisfied with the services they received.

Updated training of health care personnel contributes to improved quality. More than 1,400 physicians have completed a 2-year standard family medicine training program this year, passed exams and been state-certified as family doctors, most of who are women. This year, the Family Medicine Training Center launched a one-year residency program with 14 post-graduate students. Through partnership activities, USAID assisted the Kyrgyzstan State Medical Academy to create new departments in health management and higher nursing education.

USAID initiated its efforts to improve the health care delivery system in Issyk-Kul Oblast six years ago, and the process is now well-advanced, including extensive training on acute respiratory infection (ARI) and control of diarrheal diseases, accompanied by monitoring of performance. For the first time in 10 years, ARI has dropped from first to second place as a cause of infant mortality, a trend that will be observed to determine whether it is sustained over time.

USAID assisted the government to obtain hepatitis B vaccine. This will enable the GOKG to decrease the levels of acute, chronic and fatal liver diseases by stopping transmission of hepatitis B to infants. USAID continues to support strengthening of the National Infectious Disease Reference Laboratory and three sentinel surveillance sites that were established for disease specific surveillance, vaccination program monitoring and viral hepatitis control in Kyrgyzstan. This laboratory has received authority from the Ministry of Health to license oblast level infectious disease diagnostic laboratories of the country to ensure the quality of the laboratory work. Through CDC-supported training, a core group of infectious disease professionals titled “The Central Asian Epidemiology Network (CAR EPI NET)” was established, strengthening capacity for surveillance and outbreak investigation, as well as training of trainers activities.

The GOKG continues to be a pioneer in health reform among the Newly Independent States. In the area of health finance, massive restructuring is taking place. At the state level, the Oblast (State) Health Department has been abolished. Health purchaser and health provider functions have been split, with the Health Insurance Fund as the purchaser and the newly created Oblast (State) Merged General Hospital as the provider. The Merged General Hospital will incorporate specialty hospitals into its administrative structure as well as its physical plant as hospital departments where feasible. This change has great potential to increase efficiency and decrease administrative and facility operating costs by eliminating duplication. In addition, two pilot

budget projects are underway to create a single payer system by merging budget and health insurance funds into a single pool to allow greater flexibility to the purchaser in buying services.

At the national level, the Health Information Center has replaced the Health Statistics Department and been merged under the Health Insurance Fund so that health information systems are now tied to provider payment systems. This financial connection gives providers an incentive to submit good data that can be used for payments, health statistics, quality assurance, research and monitoring and evaluation. Other developments include an outpatient drug benefit being tested as part of the new proposed health benefits package. If successful, this could make drugs more accessible at the PHC level and decrease the motivation to hospitalize solely to obtain free drugs.

Performance and Prospects:

The GOKG is far ahead of other countries in the region and further progress is anticipated. In 2001, with the benefit of additional funds, USAID will develop its program on HIV prevention with a behavioral risk assessment, condom social marketing, a high-level regional conference, a pilot project to explore STI treatment approaches using the World Health Organization (WHO)-developed Syndromic Management approach, prevention interventions with high-risk groups and much-needed information campaigns at the community level.

Regarding TB control, WHO and the World Bank have taken the lead. However, after initial promising results, TB mortality increased from 18.4 per 100,000 in 1998 to 21.3 in 1999. From discussions with donors and the GOKG, as well as results of USAID-supported laboratory monitoring visits, USAID has agreed to significantly increase support for the TB Directly Observed Treatment Short-course (DOTS) program.

Possible Adjustments to Plans:

Due to a high level of indebtedness, the World Bank Health II loan start date is uncertain and could lead to delays in key procurements, infrastructure development and technical assistance. USAID planned expansion of improved PHC to South Kyrgyzstan could be affected. Political will and support for change could be eroded, particularly in the area of restructuring of the Sanitary and Epidemiological Services and in rationalizing the tertiary facilities in Bishkek.

Other Donor Programs:

The World Bank and Asian Development Bank in Kyrgyzstan have large health sector loans, specifically on health sector reform. WHO and GTZ are active on TB control and Integrated Management of Childhood Illness programs. The Japan International Cooperation Agency (JICA) supports the GOKG in vaccine procurement. United Nations Population Fund (UNFPA) procures contraceptives for the public sector.

Major Contractors and Grantees:

Implementing partners include Abt Associates/ZdravPlus, American International Health Alliance (AIHA), the Centers for Disease Control and Prevention (CDC), Counterpart Consortium, and Project Hope.

Performance Data Table

Objective Name: Increased Utilization of Quality Primary Health Care in Select Populations				
Objective ID: 116–0320 Kyr SO 3.2 Health				
Approved: 2000-05-01		Country/Organization: Kyrgyzstan – USAID/CAR		
Result Name: 3.2.2 Improved quality of health care including infectious diseases and maternal and child health.				
Indicator: % of sputum smear positive tuberculosis (TB) patients cured through Directly Observed Treatment Short-course (DOTS) approach in pilot sites.				
Source: Ministry of Health		Year	Planned	Actual
Unit of Measure: percent		(Base) 1999		83.7%
<p>Indicator/Description: Cure rate (CR) is the number of TB patients who are cured (PC) as a result of DOTS treatment plus patients that completed treatment (CT) divided by total number of TB smear positive patients (TNP) minus number of deaths (ND).</p> <p>PC + CT</p> <p>CR= ----- x 100 %</p> <p>TNP – ND</p> <p>968 + 57</p> <p>= ----- = 83.7%</p> <p>1,263 – 38</p> <p>DOTS is considered effective in treatment sites if at least 85% of patients are cured. (For recently established DOTS programs, it can be lower, e.g. 75%.)</p>		2000	85%	
		2001	85%	
		2002	85%	
		2003	85%	
		(Final) 2004	87%	
<p>Comments: In Kyrgyzstan, 8 sites reported cure data. Cure can only be determined upon completion of treatment, a period lasting from 12 to 15 months. The data reported here represent the time period of January 1999 to December 1999, in which 1,263 total smear positive patients entered treatment. Of these, 968 were cured (patients who became smear-negative proved by two smear analysis by the end of treatment), 57 completed treatment (clinically recovered but had only one negative smear because of various reasons, e.g. unable to produce sputum), and 38 cases of deaths (patients who died of any cause during the course of treatment).</p> <p>Note: Other treatment outcomes which are not explicitly presented in the cure rate calculation, are 48 cases of treatment failure (patients who remain or again become smear-positive at five months or later during the course of treatment), and 43 cases of interrupted treatment or defaults (patients whose treatment was interrupted for 2 months or more).</p>				

Performance Data Table

Objective Name: Increased Utilization of Quality Primary Health Care in Select Populations				
Objective ID: 116-0320 Kyr SO 3.2 Health				
Approved: 2000-05-01		Country/Organization: Kyrgyzstan – USAID/CAR		
Result Name: IR 3.2.4 Improved legislative and policy framework				
Indicator: Rating of overall policy reform environment in relation to key reforms at the pilot oblast and/or national level.				
Source: Panel assessment based on information from oblast health departments, oblast health financing authorities, Agency for Health Affairs/Ministries of Health		Year	Planned	Actual
		(Base) 1999		4
		2000	4	4.5
		2001	*	
		2002	*	
		2003	*	
		2004	*	
		(Final) 2004		
Unit of Measure: score				
Indicator/Description: A panel of USAID/CAR staff, implementers and others will conduct a policy environment review. The panel will rate overall policy reform environment by means of a 5-point Likert Scale (ranging from “no progress in a health reform area” = 1 to “sustainable reform at the national level” = 5) to score each key reform area. Key reform scores will be summed and the result divided by the number of key reform areas to produce a composite score representing the policy environment.				
The key reforms are: <ul style="list-style-type: none">• Primary health care (PHC) practices decree enforced• PHC practices enrollment system in place• Provider payment systems and health insurance decrees established• Provider management systems in place• Health care facility rationalization plans formulated, including work force planning• Clinical protocols introduced• Family practice/infectious disease curricula implemented• Health sector non-governmental organization (NGO) recommendations adopted.				
Comments: Panel verbal assessment: “Continued excellent progress, maintaining the gains of the past”				
*This will be the last year to report on this indicator, though the panel review of the policy environment will be continued, albeit in a modified form including a changed scoring approach and an expanded panel that includes government counterparts.				

Performance Data Table

Objective Name: Increased Utilization of Quality Primary Health Care in Select Populations			
Objective ID: 116-0320 Kyr SO3.2 Health			
Approved: 2000-05-01		Country/Organization: Kyrgyzstan – USAID/CAR	
Result Name: LLR 3.2.1.3 Select populations are enrolled in primary health care (PHC) practices			
Indicator: % of national population enrolled in PHC practices			
Source: Enrollment data bases from health information systems and national population statistics	Year	Planned	Actual
	(Base) 2000		32%
Unit of Measure: %	2001	*	
Indicator/Description: All the people enrolled in PHC data bases in all pilot sites compared with the national population.	2002	*	
	2003	*	
Comments: The total enrolled population in PHC is 1,563,385 compared to a national population of 4,830,100. Enrolled populations reside in 2 oblasts (states), Issyk Kul and Chui, and the capital city, Bishkek. Expansion to the remaining 5 oblasts of Kyrgyzstan is currently in progress.	2004	*	
	(Final) 2004		
Note that PHC practices exist in other regions but have not benefited from USAID-funded training and World Bank investment as the pilot sites have.			
*This indicator will not be used to report results for 2001. Instead, an indicator at the strategic objective level will replace it. Baseline and targets will be established by May 2001.			
The current indicator was selected for reporting because data for the SO level indicator, developed under a strategy approved six months ago, is not yet available. Further, this indicator could reasonably be expected to contribute to the accomplishment of the SO level indicator as people must first be enrolled in newly constituted PHC practices before they can utilize the health care services provided.			

Performance Data Table

Objective Name: Increased Utilization of Quality Primary Health Care in Select Populations			
Objective ID: 116-0320 Kyr SO3.2 Health			
Approved: 2000-05-01		Country/Organization: Kyrgyzstan – USAID/CAR	
Result Name: IR 3.2.3 Improved use of health care resources for primary health care (PHC)			
Indicator: % of total national population provided PHC under a capitated rate payment system			
Source: Oblast health finance authorities and national population statistics	Year	Planned	Actual
Unit of Measure: percent	(Base) 2000		33%
Indicator/Description: Capitated rate or per capita rate is a payment set by the government to provide a specific package of PHC services for each individual enrolled in a PHC practice. The measure is a composite also comprised of other elements including distribution of payment without chapters (i.e. no required line item amounts); weighting with sex and age adjusters (to account for differences in usage among different age and sex groups); and pooling of funds at the oblast level (which produces an amount of funding large enough to manage the risk of unusual or unexpected health costs among the covered population.)	2001	*	
	2002	*	
	2003	*	
	2004	*	
	(Final) 2004		
<p>This composite measure represents several elements of resource use in PHC: efficiency because per capita funding covers the enrolled person rather than paying for numbers of visits; flexibility because PHC practices can use their government-provided funds for the needs they deem most important; equity because women, children and the aged make more visits to PHC than young adults and men; effectiveness because pooling funds at a population level smaller than the oblast will be insufficient to manage unexpected or unusual health care costs.</p>			
Comments: In Kyrgyzstan, an estimated 1,593,887 people are served by PHC practices covered by the composite indicator, per capita rate payment, compared with the national population of 4,830,100.			
<p>At present, age and sex adjusters are universally lacking, so no population is yet covered by all elements of the composite construction – per capita rate payment. As this indicator uses a composite scoring system, many more than 1,593,887 persons are served by PHC practices that have at least 3 of the components comprising the per capita rate payment indicator.</p>			
<p>*This indicator will not be used to report results for FY01. Instead, an indicator from the new performance monitoring plan will replace it. Baseline and targets will be established by May 2001.</p>			

R4 Part II: Results Review by SO

Country/Organization: Kyrgyzstan - USAID/CAR

Strategic Objective Name: 1.6, Improved Management of Critical Natural Resources, including Energy

Strategic Objective ID: 116-0160

Self Assessment: Annual performance assessment unavailable

Summary:

Link to Strategic Agency Framework:	5.4 Environmentally Sound Energy (30%) 5.5 Natural Resource Management (70%)
Link to MPP Goals:	Regional Stability Environment

Kyrgyzstan depends on its abundant water resources for a large portion of its electricity requirements. Unlike some of its neighbors, the country is endowed with limited fossil fuel resources. The use of these water resources has to be balanced with the downstream irrigation needs in Kazakhstan and Uzbekistan. USAID's strategic objective is to change the way natural resources are managed. This will provide the customer, the citizens of Kyrgyzstan, a greater voice in decisions affecting their lives and will improve the practices and policies of natural resources managers, leading to sustainable, environmentally sound economic growth.

Under its new strategy, the mission consolidated two separate energy and environmental strategic objectives into one. To see improvements in Central Asia in the management of critical natural resources, we must see improvements at the level of our intermediate results (IRs): 1) increased management capacity in natural resources; 2) improved policy and regulatory framework for natural resources management; 3) sustainable models developed for integrated natural resources management; and 4) public commitment established for natural resources management policies.

Because this is a new strategic objective, many activities are just beginning. All indicators have baseline data set for 2000. We are unable to provide an annual performance assessment.

Key Results:

The Government of Kyrgyzstan has shown great reluctance in implementing the privatization plans contained in the World Bank program. This greatly hampered the prospects for results in the energy sector. In response, USAID will shift its focus to address energy efficiency issues and to support NGO efforts toward more transparent pricing policies – activities that will support the long-term ultimate privatization of the sector. Despite this setback, there have been other key events over the course of the year that contributed to our overall objective.

The government's adoption of an action plan for the privatization of Kyrgyz Energo, the state energy monopoly, was a qualified success. The plan was developed as a direct result of USAID-

sponsored training offered to energy officials in market-based rules and regulations, tariffs methodologies and the role of utility regulatory agencies. The government also agreed to follow our recommendations with regard to Electricity Market Rules, which laid the legal framework for operations, when privatization takes place.

With USAID's assistance, Kyrgyz Energo held Kyrgyzstan's first-ever energy utility public hearing to review an application for new natural gas and electricity tariffs and to receive public input on the proposed changes. This hearing was an important first step toward greater citizen voice in the decision-making process, measures to reduce corrupt practices, and systems that will openly fix market-based energy tariffs. It is also an example of implementing a crosscutting theme of strengthening democratic institutions through increasing citizen participation in key economic areas.

Resource managers of the Syr Darya River, one of the two major feeders to the Aral Sea, are now using a planning tool, that USAID developed, to make decisions on the allocation and distribution of water and energy in the region. Local water resources economists and engineers are using our recommendations to better facilitate transboundary water discussions between Kazakhstan and Kyrgyzstan, key to reducing a potential area for regional conflict.

Performance and Prospects:

Building on the successes of past efforts in developing policy and regulatory frameworks in transboundary water management and in the management of energy resources, USAID has planned further training that will provide natural resources officials with a stronger basis for decision-making through better data collection systems, stronger partnerships with U.S. policy specialists and better public relations skills.

To complement this training, USAID forged a partnership between the U.S. National Oceanic and Atmospheric Administration (NOAA) and the meteorological service of Kyrgyzstan. Through this partnership, NOAA is building a demonstration model introducing new technologies and procedures for snowmelt forecasting and regional data sharing, which will help regional officials to better plan for water allocation.

In the Ferghana Valley, the region's breadbasket, recently high water tables put the area's fertility at risk of waterlogging. To help mitigate this problem, USAID is using a demonstration model to introduce new technologies that will upgrade the control mechanisms of the irrigation system already in place. USAID is also working with Israel's Center for Cooperation (MASHAV) on a bio-drainage demonstration model that presents the idea of planting carefully selected species of trees in targeted areas to help mitigate the rising water table.

As part of our new focus on efficiency and transparency in the energy sector, we are designing other small-scale demonstration models that demonstrate more cost-effective, efficient, and self-sufficient alternatives to state utilities.

The Central Asian Economic Community (CAEC) continues to be an important partner in the development of regional water agreements, but better cooperation with other regional water organizations, especially those in Uzbekistan, is needed. USAID is helping CAEC to build on the

strengths of existing regional water and energy organizations to reach consensus amongst the four nations on further transboundary agreements.

An issue that could affect performance over the coming year is a continuing drought that may raise tensions among Central Asian nations over fewer shared water resources and thus make desired results more difficult to achieve for regional activities. This is particularly true for Kyrgyzstan, a country that is very dependent on hydropower. Regional relationships between Kyrgyzstan and each of its neighbors are already strained over energy and water issues.

Possible Adjustments to Plans:

Although most of the activities under this strategic objective are new, some internal assessments of ongoing activities may call for changes. This is especially true in the area of drafting regional agreements on water and energy, which have historically been difficult to achieve despite USAID and other donor assistance. The recommendations of these assessments will include suggested areas that have a greater chance of success, the level of funding needed, and which Central Asian regional organizations should play what role in the development of the agreements. One key assessment underway in Kyrgyzstan looks into the makeup of the new members of the energy administration and leaders of the state-owned power system and their potential commitment to the privatization effort. The outcomes of these and other preliminary assessments will help us determine which activities we will curtail and which we will expand.

If full funding is not received, NOAA's partnership with the Kyrgyz meteorological/hydrological service would be jeopardized, leaving water resource managers with very little basis for decision-making. Also at risk would be the demonstration models on small-scale alternatives to state utilities, leaving rural communities with little hope for locally managed self-sufficient rural energy resources.

Other Donor Programs:

The Canadian International Development Agency is providing technical training to water resources officials and managers, and the Swiss Government is taking part in our project with NOAA to acquire hydrological data. This data is also being shared with UNDP and the World Bank. The World Bank is promoting a very ambitious privatization program for the power sector.

Major Contractors and Grantees:

PA Consulting implements the Natural Resources Management Program. The National Oceanographic and Atmospheric Administration (NOAA) is working with modeling systems that will help with snowmelt forecasting and data sharing. Israel's Center for Cooperation (MASHAV) will carry out efforts in the Ferghana Valley to mitigate water-logging problems, and EPIC (IRG) worked with transboundary water issues.

Performance Data Table

Objective Name: 1.6 Improved Management of Critical Natural Resources, Including Energy.				
Objective ID: 116-0160 Kyr. SO 1.6 Environmental Management				
Approved: 2000-05-01		Country/Organization: Kyrgyzstan– USAID/CAR		
Result Name: 1.6 Improved Management of Critical Natural Resources, Including Energy.				
Indicator: The number of demonstration models that are replicated				
Source: Tracking by USAID and contractor staff		Year	Planned	Actual
Unit of Measure: Cumulative Number		(Base)2000		0
<p>Indicator/Description:</p> <p>”Demonstration models” refers to USAID/CAR Natural Resources Management Project pilot and illustrative model projects in target subject areas.</p> <p>“Replicated” refers to each time a demonstration project is copied and implemented in Kyrgyzstan with the assistance of local partners. A project is fully replicated when it completes all 7 of the Activity Management Milestones, as described in the PMP.</p>		2001	0	
		2002	0	
		2003	1	
		2004	1	
		2005	2	
		(Final) 2005	4	
Comments:				
In Kyrgyzstan the replication of demonstration models will not start until we have some projects up and running which will come on line in 2002.				

Performance Data Table

Objective Name: 1.6 Improved Management of Critical Natural Resources, Including Energy.				
Objective ID: 116-0160 Kyr. SO 1.6 Environmental Management				
Approved: 2000-05-01		Country/Organization: Kyrgyzstan– USAID/CAR		
Result Name: 1.6.1 Increased management capacity in the natural resources				
Indicator: The number of new data collection systems in use as a result of USAID/CAR activities				
Source: Tracking by USAID and contractor staff		Year	Planned	Actual
Unit of Measure: Cumulative Number		(Base)2000		0
Indicator/Description: “New” refers to USAID/CAR –recommended or -sponsored activities; “Data collection systems” refers to USAID/CAR –sponsored activities that install new technology to capture information related to the management of natural resources.		2001	2	
		2002	4	
		2003	6	
		2004	7	
		2005	7	
		(Final) 2005	7	
Comments: Better access to information is not a guarantee that better information will be used by natural resource managers in the decision-making process. In addition to working with host country partners on increasing the number of data collection systems. USAID/CAR will also be working with and training natural resource managers on how to use the new data that will be available.				

Performance Data Table

Objective Name: 1.6 Improved Management of Critical Natural Resources, Including Energy.				
Objective ID: 116-0160 Kyr. SO 1.6 Environmental Management				
Approved: 2000-05-01		Country/Organization: Kyrgyzstan– USAID/CAR		
Result Name: 1.6.3 Sustainable models developed for integrated natural resources management				
Indicator: The of demonstration models or projects completed in cooperation with other parties.				
Source: Tracking by USAID and contractor staff		Year	Planned	Actual
Unit of Measure: Cumulative Number		(Base)2000		0
<p>Indicator/Description:</p> <p>“Models or Projects” refers to USAID/CAR pilot demonstration projects in water and energy.</p> <p>“Completed” refers to the successful design and build of the demonstration project or model (or a similar variant) in a targeted area.</p> <p>“Other parties” refers to local partners associated with the replicated projects, including, but not limited to, other donors, counterparts, or private sources.</p>		2001	0	
		2002	1	
		2003	2	
		2004	3	
		2005	3	
		(Final) 2005	3	
Comments:				
This indicator is the precursor to the indicator for SO1.6. This indicator depicts those models that have been developed and have partner buy-in.				

Performance Data Table

Objective Name: 1.6 Improved Management of Critical Natural Resources, Including Energy.				
Objective ID: 116-0160 Kyr. SO 1.6 Environmental Management				
Approved: 2000-05-01		Country/Organization: Kyrgyzstan– USAID/CAR		
Result Name: 1.6.4 Public commitment established for natural resources management policies.				
Indicator: Number of activities in which people or NGOs participate in targeted USAID/CAR natural resource management issues.				
Source: Tracking by USAID and contractor staff				
Unit of Measure: Cumulative number				
Indicator/Description: “Activities” refers to any action conducted to increase awareness about any natural resource management issues. “NGOs” refers to any registered or non-registered non-governmental organization. “Advocate” refers to any action that results in a written document that results from an interested party to promote a position that is being taken by USAID on a particular natural resource management issue. “Targeted USAID/CAR natural resource management issues” refers to the policy positions that are being demonstrated or advocated by USAID under SO 1.6.		Year	Planned	Actual
		(Base)2000		0
		2001	2	
		2002	3	
		2003	4	
		2004	5	
		2005	6	
		(Final) 2005	6	
Comments: It may be difficult to completely capture all different types of possible activities in which Central Asian citizens and NGOs can participate, even within target areas. As such, the Mission is assuming that data collected will be a subset of the total number of people who are advocating the policies being demonstrated. The Mission’s contractor, together with the implementing partner, will develop a list of possible activities commonly associated with public and NGO involvement for which they want to collect data. In this way the subset is more accurately defined and the limitations are captured, thereby increasing the transparency of the indicator.				

R4 Part II: Results Review By SO

Country/Organization: Kyrgyzstan - USAID/CAR

Strategic Objective Name: 1.2, Increased Soundness of Tax and Budget Policies and Administration

Strategic Objective ID: 116-0120

Self Assessment: Meeting expectations

Summary:

Link to Strategic Agency Framework:	1.1 Private Markets (45%) 2.4 Accountable Government Institutions (45%) 6.1 Impact of Crises Reduced (10%)
Link to MPP Goals:	Regional Stability Economic Development U.S. Exports

In 2000, USAID and the Government of Kyrgyzstan took positive steps toward achieving this strategic objective. Our multi-year program to reform the fiscal sector in Kyrgyzstan achieved some of the best results to date. The goal of this SO is to increase the soundness of tax and budget policies and administration through achievement of three intermediate results: 1) improved tax code and implementation of the code, 2) improved budget development and execution, and 3) improved intergovernmental finance.

The direct beneficiaries of such improvements are the national and local government agencies in need of tax revenues and sound budget policies, as well as those parties to whom the government owes money (*i.e.*, arrears). Indirectly, the impact of improved fiscal policies on economic growth and development fosters greater economic and social stability for the people of Kyrgyzstan.

In this first year under the new performance monitoring plan (PMP), the previous indicators will serve as the basis for this year's R4 narrative reporting. However, the baseline information in the performance data tables will be provided based on the new indicators. Under the previous indicators, we met expectations.

Key Results:

Overall, USAID's performance in 2000 was mixed, meeting expectations by achieving several of its performance targets, even though the development of Kyrgyzstan's public sector remained subject to severe constraints, including weak government. The main indicator for this strategic objective, the general deficit as a percentage of GDP, was estimated to be less than 1% in 2000, as compared to 2.7% in 1999, and was well within the target of 2.5%. At the same time, the percent of tax revenues as a share of GDP was 12.4%, below the target for 2000. Despite the fall in revenues, the government continued to finance its fiscal deficit in a non-inflationary manner.

USAID helped the GOK to increase the number of government agencies adopting program budgeting from eleven in 1999 to 71 in 2000 (all but 7 agencies), helping institutionalize this process. In 2000, program budgeting expanded to the local level in the cities of Osh and Bishkek.

With the cooperation of the State Tax Inspectorate, the implementation of new instructions and commentary to the tax code began this year. This activity contributes to the development of a culture of voluntary compliance and reduces the corruption and administrative inconsistencies that stifle investment.

Finally, USAID supported the development of an independent Fiscal Analysis Unit within the parliament. This unit enables lawmakers to gauge the impact of legislation on the economy and the budget and to play a more active role in reform of the tax and budgetary systems.

Performance and Prospects:

Although USAID achieved notable progress, relative to past years, the Government of Kyrgyzstan still must make significant improvements in fiscal management. For example, Kyrgyzstan's relatively weak government, in particular the Ministry of Finance, was unable to meet its revenue targets for the year, and its execution of the budget remained weak. Over the past several years, the GOK's inability to implement its plans has limited its effectiveness and weakened its financial position.

The government still has significant arrears that it must eliminate, and debt service continues to constitute a huge portion of the budget. The government budgeted \$86.9 million for debt service in 2000, which is equal to 40% of projected tax revenues. For 2001, the estimate is \$105.5 million, or 45% of revenues. This strongly indicates Kyrgyzstan's urgent need for new revenue-enhancing measures. To address this, the parliament recently increased the sales tax from 2% to 3% and called for increases in both land and value-added taxes. We expect that during 2001 these efforts will be augmented by the introduction of a local property tax. Technical assistance will continue to emphasize revenue enhancement and resource management.

Finally, a more detailed budget classification system still needs to be put in place. We will help rewrite the budget law to bring it into full compliance with the IMF code of fiscal transparency.

Should funding be reduced, we will cut assistance in intergovernmental finance.

Possible Adjustments to Plans:

While conditions in Kyrgyzstan remain favorable for the fiscal reform project activities, recent changes at the Ministry of Finance have created some uncertainty regarding the ministry's priorities. In response, USAID will increasingly shift activities to work more closely with parliament. Additionally, given the relative success of the local budget reforms, we will begin to concentrate our efforts more in that area. Also, recent requests for assistance with macroeconomic forecasting may necessitate some increase of assistance in this area.

Other Donor Programs:

The IMF has replaced its tax advisor with a debt advisor. The IMF also helped the government on amendments to the tax code, and has been instrumental in preventing legislation that would

reduce tax revenues. EU/TACIS, which had been working on macroeconomic forecasting, completed its program in 2000.

Major Contractors and Grantees:

The Barents Group implements the fiscal reform activity. The Academy for Educational Development (AED) coordinates participant training.

Performance Data Table

Objective Name: Increased soundness of tax and budget policies and administration				
Objective ID: 116-0120				
Approved: 2000-06-01		Country/Organization: Kyrgyzstan – USAID/CAR		
Result Name: SO 1.2 Increased soundness of tax and budget policies and administration				
Indicator: Tax revenues as a percent of GDP				
Source: USAID Fiscal Reform Project, Kyrgyzstan		Year	Planned	Actual
Unit of Measure: Percent		(Base)2000	14.5%	12.4%*
Indicator/Description: Tax revenues as a percent of GDP.		2001	14.9%	
<p>Comments: This indicator is a clear external indicator of progress in the areas of tax policy and tax administration. Improving the code and improving tax administration will increase revenues collected, hence this indicator acts as an objective measure of progress.</p> <p>Working with the SO Team, a contractor performed an initial data quality assessment in August 2000 by assessing the quality of this indicator against Agency quality standards for performance indicators. In addition, the high degree of information sharing and accepted standards for data sources give the SO Team a reliable, practical pool of information that leaves little room for subjective interpretation.</p> <p>Therefore, after the implementing partner collects data from host government publications available to the general public and from various IFI assessments of the fiscal sector, the SO Team reviews the data. The SO Team then uses independent assessments to cross-reference material provided by the implementing partner.</p> <p>*The actual baseline figure (12.4%) is an estimate based on preliminary figures provided by the GoKR..</p>		2002	15.5%	
		2003	15.9%	
		2004	16.5%	
		2005	16.9%	
		(Final) 2005	16.9%	

Performance Data Table

Objective Name: Increased soundness of tax and budget policies and administration				
Objective ID: 116-0120				
Approved: 2000-06-01		Country/Organization: Kyrgyzstan – USAID/CAR		
Result Name: 1.2.1 Improved Tax Code and Implementation if the Code				
Indicator: Tax Code and Tax Administration Benchmarks Achieved				
Source: USAID Fiscal Reform Project, Kyrgyzstan		Year	Planned	Actual
Unit of Measure: Percent		(Base)2000		43.5%
Indicator/Description: Total number of benchmarks achieved as a percent of total number of benchmarks.		2001	50%	
<p>Comments: This indicator has two components. The first is "Percent of Tax Administration Benchmarks Achieved." This indicator was developed to measure progress on key components of tax administration. The designated benchmarks components include computerization, dissemination of information to the public. Progress in these areas will improve the level of service to individuals, increase fairness and transparency, and have a positive impact on revenues collected.</p> <p>The second component is "Percent of Tax Policy Benchmarks Achieved." This indicator was developed to measure key features that a good tax code should have. It should be fair, clear, and not create disincentives to work, save or invest. The benchmarks include: A) the absence of internal inconsistencies, and; B) does not discourage foreign investment. Progress in these areas will improve the quality of the tax code, increase fairness and increase voluntary compliance.</p> <p>For this SO, the SO Team designed a matrix that consists of numerous "bricks", each representing a benchmark. At the end of the period, the SO Team reviews reports to determine how many of these benchmarks were achieved. After analysis of the data related to each brick, a score from 0-3 is assessed to each brick, based on the degree of reform. An aggregate score is then tallied for the entire chart and the achieved percentage is calculated. The yearly percentage is compared to the yearly target to determine the project’s progress.</p> <p>Working with the SO Team, a contractor performed an initial data quality assessment in August 2000 by assessing the quality of this indicator against Agency quality standards for performance indicators. In addition, the high degree of information sharing and accepted standards for data sources give the SO Team a reliable, practical pool of information that leaves little room for subjective interpretation.</p>		2002	60%	
		2003	70%	
		2004	80%	
		2005	90%	
		(Final) 2005	90%	

Performance Data Table

Objective Name: Increased soundness of tax and budget policies and administration				
Objective ID: 116-0120				
Approved: 2000-06-01		Country/Organization: Kyrgyzstan – USAID/CAR		
Result Name: IR 1.2.2 Improved Budget Development and Execution				
Indicator: Percent of Budget Development and Execution Benchmarks achieved				
Source: USAID Fiscal Reform Project, Kyrgyzstan		Year	Planned	Actual
Unit of Measure: Percent		(Base)2000		36.1%
Indicator/Description: Total number of benchmarks achieved as a percent of total number of benchmarks. Comments: This indicator measures progress on budget development and execution. A budget process must be transparent and also enable the government to develop a spending plan that meets needs in key social spending areas. The benchmarks selected capture those important features. Benchmarks include expenditures matching targets, full execution of the annual budget, and meeting expenditure goals for safety net funding, capital spending and education. For this SO, the SO Team designed a matrix that consists of numerous "bricks", each representing a benchmark. At the end of the period, the SO Team reviews reports to determine how many of these benchmarks were achieved. After analysis of the data related to each brick, a score from 0-3 is assessed to each brick, based on the degree of reform. An aggregate score is then tallied for the entire chart and the achieved percentage is calculated. The yearly percentage is compared to the yearly target to determine the project’s progress. The data submitted by the implementing partner is reviewed by the SO Team. By sharing information with other donors, comparisons are drawn between data provided by the implementing partner, donors, and the host government. Therefore, after the implementing partner collects data from host government publications available to the general public and from various IFI assessments of the fiscal sector, the SO Team reviews the data. The SO Team then uses independent assessments to cross-reference material provided by the implementing partner.		2001	40%	
		2002	50%	
		2003	60%	
		2004	70%	
		2005	80%	
		(Final) 2005	80%	

Performance Data Table

Objective Name: Increased soundness of tax and budget policies and administration			
Objective ID: 116-0120			
Approved: 2000-06-01		Country/Organization: Kyrgyzstan – USAID/CAR	
Result Name: 1.2.3 Improved Intergovernmental Finance			
Indicator:Percent of Intergovernmental Finance Benchmarks Achieved			
Source: USAID Fiscal Reform Project, Kyrgyzstan	Year	Planned	Actual
Unit of Measure: Percent	(Base)2000		33.3%
Indicator/Description: Total number of benchmarks achieved as a percent of total benchmarks.	2001	35%	
Comments: This indicator was developed by identifying areas for improvement that were key, if the system of intergovernmental finance was to support local government spending that reflected the priorities of citizens. These improvements include local assignment of education expenditures, transparency of subventions and withdrawals, local revenue authority, and a process that can adapt to decentralization.	2002	45%	
	2003	55%	
	2004	65%	
	2005	75%	
	(Final) 2005	75%	
For this SO, the SO Team designed a matrix that consists of numerous "bricks", each representing a benchmark. At the end of the period, the SO Team reviews reports to determine how many of these benchmarks were achieved. After analysis of the data related to each brick, a score from 0-3 is assessed to each brick, based on the degree of reform. An aggregate score is then tallied for the entire chart and the achieved percentage is calculated. The yearly percentage is compared to the yearly target to determine the project’s progress.			
Working with the SO Team, a contractor performed an initial data quality assessment in August 2000 by assessing the quality of this indicator against Agency quality standards for performance indicators. In addition, the high degree of information sharing and accepted standards for data sources give the SO Team a reliable, practical pool of information that leaves little room for subjective interpretation.			
Therefore, after the implementing partner collects data from host government publications available to the general public and from various IFI assessments of the fiscal sector, the SO Team reviews the data. The SO Team then uses independent assessments to cross-reference material provided by the implementing partner.			

R4 Part II: Results Review by SO

Country/Organization: Kyrgyzstan - USAID/CAR

Strategic Objective Name: 2.3, More Effective, Responsible, and Accountable Local Governance

Strategic Objective ID: 116-0230

Self Assessment: Meeting expectations

Summary:

Link to Strategic Agency Framework:	2.4 Accountable Government Institutions (80%) 2.3 Politically Active Civil Society (20%)
Link to MPP Goals:	Economic Development Democracy

Overall, performance of this strategic objective has been promising. Successful decentralization in Kyrgyzstan requires strengthened local governments as both democratic and service providing institutions through the following intermediate results: 1) the introduction of democratic practices; 2) increased local government capacity; and 3) increased local government authority. Tangible improvements in targeted local governments, chosen for their openness to reform, are possible without changing current policies by the national government. Receptivity to decentralization is largely cultivated by bringing the results of improved practices to the attention of national policymakers and demonstrating the potential of local government. These three intermediate results serve to foster improved performance and accountability of local administrations to their constituents. The immediate beneficiaries of our assistance include local government officials, NGO members, and ultimately, citizens who benefit from improved local government services.

Key Results:

We are finally achieving notable results after two years of effort, notwithstanding limitations due to elections and government inaction. A growing number of public hearings were held. Local Economic Development Boards were launched with participation of NGOs and businesspeople in the pilot cities of Uzgen, Kant, Tokmok, and Naryn. Improved management practices in the area of financial and communal property management have been adopted by the four pilot cities and are ready for dissemination to other self-government cities. Condominium promotion was again one of the most successful activities, leading to an increase in the number of condominiums from 132 to 222 during this reporting period. Despite the resistance to condominium formation by the Bishkek city maintenance agency, eight condominiums were formed in the city. USAID is supporting condominium promotion and training through regional housing associations in Bishkek, Osh, and Jalal-Abad.

The city of Naryn adopted a composting plan as a result of the Naryn-Great Falls, Montana partnership. Visitors from Great Falls provided immediate remedies for the redevelopment of the city water/wastewater infrastructure and offered tools to solve longer-term, capital intensive

reconstruction. The city of Great Falls donated a garbage truck -- shipment is expected in spring 2001. The truck will help to cover up to 80% of the city's needs and improve garbage collection.

The Association of Cities of the Kyrgyz Republic, representing all 20 Kyrgyz cities, established itself as an independent, non-governmental organization in order to advocate local government interests. The association provides a counterbalance to the pro-government Congress of Local Communities. The most talented staff of the congress has joined the new association.

Performance and Prospects:

Performance is generally on target and prospects remain positive. There is considerable receptivity at the local level to USAID's local government program. Until just recently, there was little indication that the national government is willing to make systematic changes towards decentralization and local government reform. In January, the president announced that elections for the mayors of village and self-government cities will take place in October 2001. Current indications are that the elections will be a controlled affair, but we hope that international and domestic opinion, as expressed by parliament and civic groups, will strengthen the process.

The modest authorities that have been given to self-government cities by law have not been implemented in all localities because of resistance from the (rayon) administrative level. Local governments continue to exert no effective control over local taxes and fees. The central authorities predetermine 80% to 90% of our pilot cities' budget. Much remains to be done in the areas of budgeting, revenue raising and revenue sharing involving the Ministry of Finance. Budgeting and financial management assistance is coordinated with our fiscal reform strategic objective. Assistance with asset management is collaborated with our land registration effort. As a result of local level receptivity, USAID anticipates expanding the program to two new pilot cities in calendar year 2001. We expect further progress in the original pilot sites.

Possible Adjustments to Plans:

No adjustment to plans are currently needed.

Other Donor Programs:

The World Bank, UNDP, and the Soros Foundation also support activities with a local government dimension. A UNDP decentralization program focuses on rural areas. The Soros Foundation funds an awards program for housing associations. USAID, in turn, publicizes the award program to condominiums and oversees its evaluation according to USAID-developed standards of what constitutes a good condominium.

Major Contractors and Grantees:

The Urban Institute is the prime contractor of the Local Government Initiative. The International City/County Management Association is implementing the Resource Cities partnership between Naryn and Great Falls, Montana. The Academy for Educational Development (AED) coordinates participant training. The Eurasia Foundation has provided grants to housing groups and university-based public administration programs.

Performance Data Table

Objective Name: 2.3 More effective, responsive and accountable local governance			
Objective ID: 116-0230			
Approved: 2000-05-01		Country/Organization: Kyrgyzstan – USAID/CAR	
Result Name: SO 2.3 More effective, responsive and accountable local governance			
Indicator: Public confidence in local government increases:			
Source: Public opinion poll	Year	Planned	Actual
Unit of Measure: Percentage	(reference point)1996		29%
Indicator/Description: “Public confidence” is defined as public confidence in city local governments (Administration and Kenesh). Comments: 3.5% expressed “high confidence” and 21.5% expressed “confidence with reservations” for a total of 25.0%. An IFES poll, conducted in 1996, is included here as a reference point. It posed the question “how responsive is local government to the needs and concerns of the people”. 4% said “very responsive”, 25% “somewhat responsive”, for a total of 29%. Thus, there appears to be a slight negative trend in confidence, though this is probably due to the desperate economic situation (compare with Kazakhstan R4 for SO 2.3).	(base)2000		25%
	2001		
	2002		
	2003		
	2004		
	2005		
	(Final) 2005		

Performance Data Table

Objective Name: 2.3 More effective, responsive and accountable local governance				
Objective ID: 116-0230				
Approved: 2000-05-01		Country/Organization: Kyrgyzstan – USAID/CAR		
Result Name: 2.3.1 Introduction of democratic practices				
Indicator: Increase in use of participatory and transparent governance practices in target local governments				
Source: Urban Institute, ICMA				
Unit of Measure: Percentage.		Year	Planned	Actual
Indicator/Description: Percentage of target municipalities using participatory and transparent governance practices. The universe of target municipalities includes 12 jurisdictions. Thus 8.3% of the target municipalities is one jurisdiction. This indicator measures dissemination beyond the pilot site. Practices need to be adhered to in the reporting period in order to be included.		(Base)1999	0	8.3%
		2000	25%	33.3%
		2001	50%	
		2002	83%	
		2003	100%	
		2004	100%	
		2005	100%	
Comments: Participatory practices were employed in 4 cities (33.3%).		(Final) 2005	100%	

Performance Data Table

Objective Name: 2.3 More effective, responsive and accountable local governance				
Objective ID: 116-0230				
Approved: 2000-05-01		Country/Organization: Kyrgyzstan – USAID/CAR		
Result Name: IR 2.3.2 Increased local government capacity				
Indicator: Improvement in management practices in target municipalities.				
Source: Urban Institute, ICMA				
Unit of Measure: Percentage.		Year	Planned	Actual
Indicator/Description: Percentage of target municipalities using improved management practices. The universe of target municipalities includes 12 jurisdictions. Thus 8.3% of the target municipalities is one jurisdiction.		(Base)1999	7%	3.5%
		2000	28%	25%
		2001	56%	
		2002	70%	
		2003	85%	
		2004	100%	
		2005	100%	
		(Final) 2005	100%	
Comments: Modern management practices adopted include use of budget database, categorization of assets and adoption of an asset management plan, and competitive procurements conducted under grants program (total number of practices is 7); 3 target municipalities have adopted these management practices (25%).				

Performance Data Table

Objective Name: 2.3 More effective, responsive and accountable local governance				
Objective ID: 116-0230				
Approved: 2000-05-01		Country/Organization: Kyrgyzstan – USAID/CAR		
Result Name: IR 2.3.3 Increased local government authority				
Indicator: Increase in functions, with corresponding funding and authority, clearly identified as local government responsibilities by national legislation and/or in actual practice.				
Source: An annual review with scoring done by consensus by USAID, Contractors, and independent experts (conducted 01/24/01).				
		Year	Planned	Actual
Unit of Measure: Percentage		(Base)1999		17%
Indicator/Description: Score if the local government functions are practiced nationwide, converted to a percentage. “Functions” are defined as : 1) authority to manage services delivered at local level 2) access to revenue base they can influence 3) power to make budget decisions independently 4) leadership accountable to citizens through elected officials 5) control over communal property 6) department heads are accountable to the local government and not the central government.		2000		25%
		2001	33%	
		2002	33%	
		2003	41%	
		2004	41%	
		2005	50%	
		(Final) 2005	50%	
		Comments: Partial progress made in three conditions: Condition #1: local self-government bodies control trash collection, road repair, water/wastewater services, local transportation, some public works. Many significant functions including finance, education, health and others are primarily under central control; Condition #4: self-government mayors must stand for election as council members to be eligible for appointment; Condition #5: self-government cities have received ownership over many assets, acquired a relatively clear title to city-owned property and started renting out communal assets; reviewers noted partial progress only since ambiguity regarding local governments' authority to dispose communal property still exists.		

R4 Part II: Results Review by SO

Country/Organization: Kyrgyzstan – USAID/CAR

Training and Exchanges

Training and exchanges are fundamental to success, as participants are strategically selected to support and complement USAID's broader portfolio and objectives. Training and exchanges have enabled participants to positively influence practices in Kyrgyzstan by exposing them to international practices through in-country, third country and U.S.-based training.

Annually, USAID trains approximately 9,700 Kyrgyz citizens through various activities. Of this total, USAID trained over 1,200 decision-makers, professionals and active citizens (approximately 45% of whom were women) through the Global Training for Development Project in FY 2000. Participants received training in the area of economic restructuring (SO 1.3), democratic reform (SO 2.1), social stabilization (SO 3.2), and energy and environment (SO 1.6). USAID continues to place a greater emphasis on more cost-effective in-country training programs and on training trainers rather than simply training individual participants.

Many of the participants return to Kyrgyzstan and make positive changes in their communities as a result of their training. After exposure to scientific breakthroughs during a training course on epidemiology in Atlanta, Dr. Usmanov created a new, more accurate method of epidemiological control, which was adopted by the Government of Kyrgyzstan in January 2000. After training in the U.S., Mr. Abazganov shared his newly acquired knowledge by producing a brochure outlining the advantages of establishing a water user association in the countryside. He distributed the first 100 copies of the brochure to water user association chairmen free of charge.

A three-week SME development program in Israel provided methods and techniques to better enable decision-makers in local and national governments, as well as in businesses and banks, to appropriately allocate their financial and human resources. In turn, this has stimulated local entrepreneurs to invest in and manage new businesses and industries and to compete in national markets. The ultimate goal is to transform each of the Central Asian Republics into a market- and consumer-driven economy responsive to the needs of citizens. One Kyrgyz participant organized a training program on business planning to explain the critical role of small business in the economic growth and development of transition countries.

Environmental Impact Annex for FY 2003 R4

USAID/CAR has made good progress this past fiscal year in complying with all USAID environmental regulations. It is anticipated that all of the Mission's activities will be in full compliance during the present fiscal year.

With assistance and guidance from the E&E Bureau, USAID/CAR prepared a Mission Order (074) addressing how to ensure environmental compliance of the CAR program. The Mission Order places primary responsibility for achieving environmental compliance with the Strategic Objective teams. The Bureau Environmental Officer (BEO) recently prepared a thorough training program on USAID's environmental compliance requirements and procedures, including practical manuals designed to be used by non-specialists on SO Teams. The BEO conducted an environmental compliance training course for the Mission staff in Almaty in May of 2000. Consistent with Mission Order 074, the audience for this training was the Mission Environmental Officer and leaders and project managers of SO Teams.

Following the May training program, Initial Environment Examinations were conducted for each of the new Strategic Objectives of the Mission. Most USAID/CAR activities developed under the new strategy and its component SOs fall under the classification of Categorical Exclusion. Nevertheless, there are subactivities under SO 1.6 for which further assessment will be necessary.

As of the time of this R4 submission, compliance status of each SO is as follows:

- SO 1.2-Increased soundness of tax and budget policies and administration: Fully compliant, Categorical Exclusion.
- SO 1.3-Improved environment for the growth of small and medium enterprises: Fully compliant, Negative Determination.
- SO 1.6-Improved management of critical natural resources, including energy: In process for a categorical exclusion and negative determination with assessments.
- SO 2.1-Strengthened democratic culture among citizens and target institutions: In process for a categorical exclusion.
- SO 2.3-More effective, responsive and accountable local government: In process for a categorical exclusion.
- SO 3.2-Increased access to quality primary health care for select populations: In process for a categorical exclusion.

USAID/CAR also conducted a region-wide biodiversity assessment beginning in late March of 2000. This assessment fulfilled the Mission's obligation to ensure that its "development strategy statement or other country plan...shall include an analysis of: (1) the actions necessary in that country to conserve biological diversity, and (2) the extent to which the actions proposed for support by the Agency meet the need thus identified (FAA, Sec. 119(d))." The assessment report is being reviewed by USAID/W in the E&E Bureau and is in the final stages of editing. Once completed, the Mission will also be fully compliant in this USAID environmental regulation.

Information Annex Topic: Updated Results Framework Annex

Part I.

SO 1.2 Increased soundness of tax and budget policies and administration

- IR1.2.1 Improved Tax Code and implementation of the Code
- IR1.2.2 Improved budget development and execution
- IR1.2.3 Improved inter-governmental finance

SO 1.3 Improved environment for the growth of small-medium enterprises

- IR 1.3.1 Increased opportunities to acquire business information, knowledge, and skills
- IR 1.3.2 Responsive financial institutions, instruments, and markets
- IR 1.3.3 Increased implementation of regulations and laws

SO 1.6 Improved management of critical natural resources, including energy

- IR 1.6.1 Increased management capacity in natural resource sector
- IR 1.6.2 Improved policy and regulatory framework
- IR 1.6.3 Sustainable models developed for integrated natural resource management
- IR 1.6.4 Public commitment established for natural resource management policies

SO 2.1 Strengthened democratic culture among citizens and target institutions

- IR 2.1.1 Stronger and more sustainable civic organizations
- IR 2.1.2 Increased availability of information on civic rights & domestic public issues
- IR 2.1.3 Enhanced opportunities for citizen participation in governance

SO 2.3 More effective, responsive and accountable local governance

- IR 2.3.1 Introduction of democratic practices
- IR 2.3.2 Increased local government capacity
- IR 2.3.3 Increased local government authority

SO 3.2 Increased utilization of quality primary health care for select populations

- IR 3.2.1 Select populations better informed
- IR 3.2.2 Improved quality of care including infectious disease and maternal and child health
- IR 3.2.3 Improved use of resources
- IR 3.2.4 Improve legislation & policy framework